CONFIDENTIAL

KENTUCKY ANGEL INVESTMENT ACT QUALIFIED INVESTMENT/INVESTOR APPLICATION

Rev 11/2025

TEAM KENTUCKY. CABINET FOR ECONOMIC DEVELOPMENT

INSTRUCTIONS

All applicants should familiarize themselves with the information regarding the incentive programs for which application is made as well as other applicable program statutory requirements. Guidelines regarding the Kentucky Angel Investment Act program are located at:

https://newkentuckyhome.ky.gov/Entrepreneurship/KAITC

The purpose of the Kentucky Angel Investment Act is to encourage capital investment, create new jobs and foster the development of new products and technologies by encouraging individual investors to make investments in innovative Kentucky small businesses with high growth potential.

Small businesses, individual investors, and planned investments must be certified by the Kentucky Economic Development Finance Authority (KEDFA) to participate in the Angel Investment Act program. This application and disclosure form must be submitted by individual investors seeking certification for a planned investment prior to actual investment. Actual investment must occur within the 80 calendar day period (or December 31, whichever occurs first) immediately after KEDFA board approval (documentation verifying investment must also be received by KEDFA in the same time period). Planned investments are presented for approval at scheduled KEDFA board meetings. The KEDFA board usually meets the last Thursday of every month, except for a combined November/December meeting generally held in early December. **This application, including the Investment Application and Disclosure worksheets, should be completed and emailed to CED.Angel@ky.gov or mailed to the address below. We strongly encourage applicants to submit this application to our office at least 3 weeks prior to the date of the KEDFA board meeting at which certification of a planned investment is sought.**

Kentucky Cabinet for Economic Development
Office of Entrepreneurship and Innovation
Mayo-Underwood Bldg
500 Mero St, 5th Floor
Frankfort, KY 40601

An application fee made payable to KEDFA must be submitted along with the application. Applications requesting $50,000 or less in angel investor tax credits will incur a $500 application fee. Applications requesting angel investor tax credits greater than $50,000 must pay a $1,500 application fee. **Note: the application fee is calculated on the projected angel tax credit amount, NOT the planned investment amount. For example, an investor with a planned investment of $[illegible]0,000 and a projected angel tax credit of $25,000 would pay a $500 application fee because the projected tax credit is less than $50,000. If an Excel version of the application is filled out correctly, an accurate application fee amount will display on row 56 of the Investment Application worksheet, just below the calculated maximum potential tax credit amount.** The application fee is refundable only if we are unable to process your application due to tax credits being unavailable.

The application fee may be paid via check or online at https://newkentuckyhome.ky.gov/epayments

If paying online, access the payment site listed above and click on "Pay Application Fees". Click your cursor In the box under the "AI - Qualified Investment" header and then select the appropriate tax credit category (either "$50,000 or less" or "more than $50,000"). **Do not check the box in front of the "AI - Small Business Certification" header.** After selecting the appropriate tax credit cateogy, scroll to the bottom of the page and click the "Next" button. On the next page, check to ensure that the displayed application fee is accurate and then select your payment method to proceed and finalize payment. **Your application fee will be either $500 or $1,500. If a fee other than one of these two amounts is displayed on the screen, exit the payment system and try again.** Payment may also be made by mailing a check made payable to KEDFA to the address above.

Please review the Kentucky Angel Investment Act Guidelines prior to completing this application. If you have questions regarding the form, please call (502) 564-7670 or send an email to CED.Angel@ky.gov.

The maximum amount of tax credits that may be awarded by KEDFA to a qualified investor in each calendar year is $200,000. Investors in a single business cannot receive more than $1,000,000 in cumulative tax credits.

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See below for important information about the timing of your submitted Qualified Investment/Investor application in relation to when you plan to make an investment. In order to qualify for potential tax credit consideration, complete the following steps in the order and timeframe indicated:

Step 1: Submit Qualified Investment/Investor application to the Kentucky Cabinet for Economic Development at least three weeks prior to the anticipated KEDFA board approval date, which is the earliest date you can make a tax credit-eligible investment. To maintain potential tax credit eligibility, your planned investment must be approved by the KEDFA board before you invest in the business. In most cases, we need a minimum of three weeks to process your application and get information to KEDFA board members prior to the board meeting. The KEDFA board meets the last Thursday of every month, except for a combined November/December meeting held in early December. To help determine when you should submit your Qualified Investment/Investor application, identify your earliest potential investment date and then determine the KEDFA board meeting date to be held immediately prior to your earliest potential investment date. For example, if you plan to make an investment in early August, you would need to get KEDFA board approval of your planned investment no later than the July KEDFA meeting the month prior to your planned investment. To get your planned investment on the July KEDFA agenda for potential approval of a planned investment you intend to make in August, we need to receive your Qualified Investment/Investor application in our office at least three weeks prior to the KEDFA board meeting held on the last Thursday in July. In this example, we would need to receive your application no later than early July for an investment you plan to make in August. Applications received less than three weeks prior to the KEDFA board date/earliest investment date may necessitate moving the application to a later KEDFA board meeting, which may impact your planned investment date. For the last KEDFA board meeting held each year in early December, applications are needed in our office no later than November 15.

Step 2: After receiving KEDFA board approval for your planned investment, you will have eighty days (or December 31, whichever comes first) to complete an eligible investment (transfer investment funds to the Qualified Small Business indicated in your Qualified Investment/Investor application) AND submit eligible supporting documentation to our office so that it is received within the eligibility period and shows that an eligible investment has occurred. Additional information on documentation needed to verify an eligible investment will be provided after KEDFA approval of a planned investment. Note that Qualified Investment/Investor applications approved at the December KEDFA board meeting will have a compressed time frame in which to make investments, as funds will have to be transferred to the Qualified Small Business after KEDFA board approval but no later than the end of the calendar year, which typically only leaves a 2-3 week investment window, depending on the exact date of the KEDFA board meeting in early December.

The Cabinet may run a background check on the applicant investor. The Cabinet does not provide financial screening of the companies or individuals involved in the program and limits its certification to the statutory parameters for a Qualified Investor, Qualified Small Business and Qualified Investment per KRS 154.20-230 through 240. The companies offering and selling investments in this program may be subject to certain requirements and obligations set forth in Chapter 292 (Securities Act – Blue Sky Law) of the Kentucky Revised Statutes and the Securities Act of 1933. Cabinet staff does not perform due diligence on the small businesses regarding their compliance with the aforementioned laws and does not guarantee any representations made by the companies, particularly relating to return on investment. In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offer, including the merits and risks involved. Any investments offered or sold under this program have not been recommended by any federal or state securities commission or regulatory authority, and any representation to the contrary is a criminal offense.

For information on securities registrations and exemptions, visit: https://kfi.ky.gov

Submit this application on the most current form found at: https:///newkentuckyhome.ky.gov/KAITC

This is the instructions page for the Qualified Investment application. Access the application by clicking on the "Investment Application" and "Disclosure" worksheet tabs.

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KENTUCKY ANGEL INVESTMENT ACT QUALIFIED INVESTMENT/INVESTOR APPLICATION FOR CALENDAR YEAR 2025

TEAM KENTUCKY. CABINET FOR ECONOMIC DEVELOPMENT

Date: ______ Rev 11/2025

INVESTOR INFORMATION

A middle name or initial is required in row 11 below unless you do not have a legal middle name.

Applicant Investor Legal Name: First Name, Middle Name or Initial, Last Name (include suffix if applicable)

Street Address of Home Residence	City	State	Zip Code

Mailing Address (if Different)	City	State	Zip Code

Social Security #	Date of Birth	Phone Number	Email Address

Answer Yes or No: has the applicant ever been convicted of any criminal offenses, filed for bankruptcy, or been cited or fined by the Securities and Exchange Commission or other government agency for a securities related infraction? The Cabinet may run a background check on the applicant investor.

If yes, please list the violation and explain (attach additional explanation if needed).

Is the applicant investor an individual natural person (a living, breathing human being; not a trust, corporation, or similar entity) whose investments submitted for tax credit consideration will be made either (a) in the name of the individual natural person listed on this application, or (b) through a single member limited liability company that is solely owned by the applicant and is a disregarded entity? Investments made through trusts are not eligible for tax credit consideration.

Does the applicant investor qualify as a natural person accredited investor pursuant to Regulation D of the United States Securities and Exchange Commission, 17 C.F.R sec. 230.501, in effect as of the date the applicant is requesting certification? Note that non-natural person entities, such as trusts, may qualify as accredited investors per SEC regulations, but for purposes of the Kentucky Angel Investment Act program, investors must qualify under the natural person accredited investor designation. Accredited investor information can be found at www.investor.gov/introduction-investing/investing-basics/glossary/accredited-investors.

Is the applicant investor submitting this application for the purpose of seeking legitimate financial returns from a planned investment made in a qualified small business?

COMPANY INFORMATION

Is the company that you plan to invest in certified as a Qualified Small Business in the Kentucky Angel Investment Act program for the calendar year listed at the top of this form?

If no, the business must apply for Qualified Small Business certification before we can complete our review of your Qualified Investment application.

Legal Name of the Small Business you plan to Invest in (must exactly match the name on our Qualified Small Business list)	County Location of Principal Place of Business For Business Listed at Left

Do you hold more than a 20% ownership interest in the small business listed above, or will you hold more than a 20% ownership interest prior to making a qualified investment in the small business?

Are you closely related to any owners, or spouses of owners, who currently hold more than a 20% ownership interest in the small business listed above, or who will hold more than a 20% ownership interest prior to your investment in the business? For purposes of this program, "closely related" means parents or grandparents, children or their spouses, or siblings or their spouses.

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Are you employed by the small business listed above, or will you be employed by the small business prior to making a qualified investment in the business?

Are you closely related to any employees of the small business listed above, or anyone who will be employed by the small business prior to your investment? For purposes of this program,"closely related" means parents or grandparents, children or their spouses, or siblings or their spouses.

INVESTMENT INFORMATION

$ amount of cash you plan to invest in the small business listed above: must be (1) at least $10,000; (2) a whole dollar amount; and (3) invested within 80 calendar days or the first December 31 **after KEDFA approval of the investment**, whichever occurs first

For your planned investment described above, enter the estimated investment time frame at right

Earliest Estimated Investment Date

Latest Estimated Investment Date

Dates that you list are for planning purposes only. Actual investment time frames for tax credit eligibility will be calculated in accordance with program guidelines and cannot be officially determined until a planned investment has been approved by the KEDFA board. KEDFA meets the last Thursday of each month, except for a combined November/December meeting usually held in early December. Applications received in our office less than 3 weeks prior to the KEDFA board meeting occurring before your earliest estimated investment date may not leave sufficient time to process the application for KEDFA approval and tax credit eligibility prior to your planned investment date. Refer to Step 1 on the Instructions tab of this application for more information.

Will your investment in the small business listed above be offered and executed in compliance with applicable state and federal securities laws and regulations, as evidenced by an investment subscription agreement or similar document outlining the terms and conditions of your planned investment?

As a natural person investor, will you (1) make a cash investment in the small business listed above in exchange for an equity or near-equity (such as SAFE agreement or convertible debt) interest in the small business, and (2) will your equity or near-equity interest be issued in the name of the natural person investor listed as the applicant on this application, and (3) will the investment be made from funds owned and controlled by the natural person investor (must be able to answer "Yes" to all 3 questions to qualify)?

If your planned investment will be executed using any document other than a straight equity securities offering, a Simple Agreement for Future Equity (SAFE) agreement or a convertible debt instrument, please email CED.Angel@ky.gov prior to submission.

ANGEL INVESTOR TAX CREDIT INFORMATION

Maximum potential tax credit amount (based on proposed investment amount, program cap limitations and location of the business in which you plan to invest; subject to Cabinet review and KEDFA board approval) | **$0**

The application fee can be paid online at: https://newkentuckyhome.ky.gov/epayments

Refer to the instructions tab of this application for detailed online payment information.

Your application fee will be either $500 or $1,000, depending on your tax credit amount.

CERTIFICATION

Eligibility for certification is determined by the information presented in this application and any requested attachments. Any changes in the status of the facts presented herein could jeopardize the investment's eligibility for certification. If requested, the applicant agrees to provide additional information needed to confirm the applicant's eligibility for this program.

CED Sample

I, the undersigned, as the individual investor, hereby represent and certify that the foregoing application information, including all attachments, to the best of my knowledge, is (a) true, complete and accurate; and (b) does not contain any information for which any entity competing with the applicant may claim a proprietary interest.

The undersigned acknowledges that information contained within the application and its attachments may be subject to public disclosure to the extent required by law pursuant to any request made under the Kentucky Open Records Act contained in Chapter 61 of the Kentucky Revised Statutes. Notwithstanding the above, except as otherwise agreed to by the applicant in writing, no confidential or proprietary application information shall be disclosed if properly excluded from disclosure under KRS 61.878 (as determined by the Authority, the Kentucky Attorney General or court of competent jurisdiction). Information reported to the Cabinet or the Authority including, but not necessarily limited to, investor name and name of certified small business, shall be available for public disclosure.

The applicant shall make the Cabinet aware if, subsequent to the filing of this application, including during the term of any agreement entered into between the applicant and the Cabinet or KEDFA, the applicant, or any owner or affiliate of the applicant, is convicted of any criminal offenses, is placed in receivership or adjudicated bankruptcy, or is denied a business related license or has a business related license suspended or revoked by any administrative, governmental or regulatory agency.

The undersigned acknowledges that the Cabinet may run a background check on the applicant.

The undersigned acknowledges that the tax credit amount shown on this application is a maximum potential amount and does not guarantee any specific tax credit amount. Actual tax credit amounts are dependent on program compliance actions that will occur after investment certification including, but not limited to, making the investment and providing acceptable evidence of a qualified investment within 90 calendar days (or December 31, whichever occurs first) after KEDFA board approval of your planned investment, and ongoing compliance of the small business in accordance with KRS 154.20-240.

The undersigned acknowledges that the Cabinet does not provide financial screening of the companies or individuals in the program and limits its certification to the statutory parameters for a Qualified Investor, Qualified Small Business and Qualified Investment per KRS 154.20-230 through 254. Cabinet staff will not perform due diligence on the small businesses and cannot guarantee any return on investment.

In addition, the undersigned applicant acknowledges and grants permission to the Authority to share any and all information contained within the application and its attachments with appropriate state and federal agencies, local jurisdiction(s), contracted consultants, and the Qualified Small Business in which you intend to invest, to determine the feasibility and potential impacts associated with this application.

Application fee must accompany application and is payable online at **https://ced.ky.gov/epayments**

If paying online, enter investor name followed by company name in "Applicant Name" field, or provide transaction ID along with application so that we can verify payment.

Electronic Signature Policy: **The person responsible for signing the document may type his/her name in the signature field but the name must be preceded by a "/s" (e.g., /s Jim Smith). If you are unable to type "/s", put a space before the slash.** ***An email is also required from the signer providing a statement certifying/ authenticating the typed signature on the document is his/her signature.***

Signature (must be signed by investor listed above)

If signing electronically, send required email verification statement with your application

Print Name

Date

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Important: you must also complete and submit the Incentive Disclosure statement as a part of this application. Click the "Disclosure" tab (maximize your window if you can't see the tab) and complete the disclosure statement. Enter the applicant investor's legal name in the "Beneficiary's Legal Name" field on row 22. If any individuals had contact with Cabinet for Economic Development staff regarding your application (such as preparing and submitting the application on your behalf, acting as your representative by answering questions about the application, etc.), list his/her name(s) in rows 29-32 at the bottom of the first page. Provide a Yes or No answer to the question on row 36 at the top of page 2. If the answer to this question is No, complete the form by signing and dating at the bottom. If the answer is Yes, provide the additional requested information pertaining to financial transactions. If you print and mail this application, please make sure the Incentive Disclosure form gets printed and mailed with the rest of your application.

Application Submission Checklist

Please review this checklist to ensure that your submittal contains all required documents.

1. This application (fully completed and signed)
2. Fully completed and signed Incentive Disclosure form (under the "Disclosure" tab in this workbook)
3. Electronic signature verification statement (required if you typed /s and your name on the signature line; not required if you signed your name manually or signed using Adobe Acrobat e-signature)
4. Accurate Qualified Investment application fee paid online at https://newkentuckyhome.ky.gov/epayments or check made payable to KEDFA included with application

Email applications to CED.Angel@ky.gov or mail to address on Instructions page.

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APPLICATION FOR INCENTIVE PROGRAMS

ATTACHMENT A - INCENTIVE DISCLOSURE STATEMENT

TEAM KENTUCKY
CABINET FOR ECONOMIC DEVELOPMENT

Applicant Name

County Where Project will be Located

INSTRUCTIONS: In accordance with the Executive Branch Code of Ethics, Chapter 11A of the Kentucky Revised Statutes ("KRS"), before any board or authority within or attached to the Cabinet for Economic Development ("CED") takes final action on any contract or agreement by which a bond, grant, lease, loan, assessment, incentive, inducement, or tax credit is awarded (the "incentive package"), the beneficiary of the incentive package must file with the approving board or authority a disclosure statement stating (i) the identity of the beneficiary of the incentive package, (ii) the identity of any person employed to act on behalf of the beneficiary with respect to the incentive package, (iii) the details of any financial transaction (as defined in KRS 11A.201(6)(a), see below) between the beneficiary (or any other person listed in (ii) above) and any agent or public servant of the CED, any member of any board or authority within or attached to that Cabinet, or any other public servant involved in the negotiation of the economic incentive package.

Your application or request will not be processed until this form is filed. CED will file copies of this form with the Executive Branch Ethics Commission pursuant to KRS 11A.233(2).

NOTE: For purposes of KRS 11A.201(6)(a), the definition of "financial transaction" is activity conducted or undertaken for profit, not available to the general public on the same terms, that arises from the joint ownership, the ownership, or part ownership in common, of any real or personal property or any commercial or business enterprise of whatever form between:

1) Beneficiary, agent or employee of the beneficiary; and

2) CED agent, employee, member of board or authority attached to CED, or other public servant involved in the negotiation of any incentive package.

Beneficiary's Legal Name (Name of Applicant Investor)

Type(s) of Economic Incentive Package(s): Kentucky Angel Investment Act

Please identify all employees or agents of the Beneficiary who have acted on behalf of the Beneficiary in its dealings with the CED or any board or authority within or attached to the CED in regard to the above incentive package.

Name	Title	Organization

Please attach additional listing if more space is needed.

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Answer YES or NO in box at right: has the Beneficiary or any employees or agents of the Beneficiary had any "financial transactions" (as defined above) with a CED agent, employee, or a board or agency attached to CED or any other public servant involved in the negotiation of any economic incentive package?

If yes, please detail any "financial transactions" (as defined above) between the Beneficiary (or any other person listed as an employee or agent of the Beneficiary) and (i) any agent or public servant of the CED, (ii) any member of any board or authority within or attached to that Cabinet, or (iii) any other public servant involved in the negotiation of the economic incentive package:

TRANSACTION 1

Name of Beneficiary (agent or employee)	Name of CED (agent, employee, or board/authority member)

Name of Other Public Servant

Description of Financial Transaction

TRANSACTION 2

Name of Beneficiary (agent or employee)	Name of CED (agent, employee, or board/authority member)

Name of Other Public Servant

Description of Financial Transaction

TRANSACTION 3

Name of Beneficiary (agent or employee)	Name of CED (agent, employee, or board/authority member)

Name of Other Public Servant

Description of Financial Transaction

Please attach additional listing if more space is needed.

The undersigned Beneficiary hereby certifies that the information set forth in this Economic Incentive Disclosure Statement has been reviewed, and is true and correct to the best of the knowledge of the undersigned.

Signature of Applicant   Date

For Electronic Signature: The person responsible for signing the document may type his/her name in the signature field, but the name must be preceded by a “/s” (e.g., /s Jim Smith). An email is also required from the signer providing a statement certifying/authenticating the typed signature on the document is his/her signature.

CED Sample